TRANSCORP HOTELS PLC

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2017

Transcorp Hotels Plc
Index to the consolidated financial statements
For the period ended 30 June 2017

Directors, professional advisers and registered office

Company registration number	RC 248514	
Directors	Olorogun O'tega Emerhor, OON	Chairman
	Mr. Valentine Ozigbo	Managing Director
	Ms. Okaima Ohizua	Executive Director
	Mr. Emmanuel Nnorom	Director
	Mr. Peter Elumelu	Director
	HRH Baba Mohammed	Director
	Mr. Adim Jibunoh	Director
	Dr. Vincent Akpotaire	Director *
	Hajia Saratu Umar	Director
	Dr. Bakari Wadinga	Director
	Mr. Alex Okoh	Director **
	*Resigned April 26, 2017 ** Appointed April 28, 2017	
Independent auditor	PricewaterhouseCoopers Chartered Accountants Landmark Towers 5B, Water Corporation Road Victoria Island, Lagos.	
Registered office	1 Aguiyi Ironsi Street Federal Capital Territory Abuja, Nigeria.	
Company secretary	Helen Iwuchukwu 1 Aguiyi Ironsi Street Federal Capital Territory Abuja Nigeria.	
Registrars	Africa Prudential Registrars Plc 220B Ikorodu Road Palmgrove, Lagos.	
Principal bankers	United Bank for Africa Plc Zenith Bank Plc Skye Bank Plc	

The directors submit their report together with the unaudited financial statements for the period ended 30 June 2017, to the members of Transcorp Hotels Plc ("the Company"). This report discloses the financial performance and state of affairs of the Company and its subsidiaries (together, "the Group.").

LEGAL FORM

Transcorp Hotels Plc was incorporated in Nigeria under the Companies and Allied Matters Act as a private limited liability company and is domiciled in Nigeria.

Following a successful initial public offer (IPO), the company was in January 2015 listed on the Nigerian Stock Exchange. The shares of the company have continued to be traded on the floor of the Exchange.

The company maintains controlling interests in the following companies, referred to as portfolio companies:
- Transcorp Hotels Calabar Limited
- Transcorp Hotels Port Harcourt Limited and
- Transcorp Hotels Ikoyi Limited

PRINCIPAL ACTIVITIES

The company is involved in the investment and operation of hospitality and leisure companies.

RESULTS

The group and company's result for the period ended 30 June 2017 are set out on page 6. The profit for the period of ₦758million (Company: ₦750million) has been transferred to retained earnings. The summarised results are presented below.

	Group		Company	
	30 June 2017	**30 June 2016**	**30 June 2017**	**30 June 2016**
	N'000	**N'000**	**N'000**	**N'000**
Revenue	6,199,850	7,607,634	5,784,333	7,260,003
Gross profit	4,500,514	5,775,629	4,235,647	5,549,163
Profit before tax	1,096,844	2,745,954	1,089,463	2,737,111
Tax	(339,218)	(856,213)	(339,218)	(856,213)
Total comprehensive income attributable to owners of the parent	757,626	1,889,741	750,245	1,880,898
Earnings per share (kobo)	10	25	10	25

DIRECTORS' INTERESTS IN CONTRACTS

None of the directors has notified the company for the purpose of section 277 of the Companies and Allied Matters Act of their direct or indirect interest in contracts or proposed contracts with the company during the period.

DIRECTORS' SHAREHOLDING

The directors who held office during the period, together with their direct and indirect interests in the shares of the company, were as follows:

	Direct	Indirect	Total	% Holding
Mr Valentine Ozigbo	1,000,000	-	1,000,000	0.013%
Ms. Ohizua Okaima	50,000	-	50,000	0.001%
Mr. Peter Elumelu	100,000	-	100,000	0.001%
Mr. Emmanuel Nnorom	1,000,000	19,000	1,019,000	0.013%
Total	**2,150,000**	**19,000**	**2,169,000**	**0.029%**

FIXED ASSETS
Information relating to changes in the fixed assets of the company is given in Note 13 to the financial statements.

EMPLOYMENT OF PHYSICALLY CHALLENGED PERSONS
The group has a policy of fair consideration of job applications by disabled persons having regard to their abilities and aptitude. The group's policy prohibits discrimination against disabled persons in the recruitment, training and career development of its employees. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the group continues and that appropriate training is arranged.

EMPLOYEE HEALTH, SAFETY AND WELFARE
The group maintains business premises and work environments that guarantee the safety and health of its employees and other stakeholders. The group's rules and practices in these regards are reviewed and tested regularly. Also, the group provides free medical insurance for its employees and their families through selected health management organizations and hospitals.

EMPLOYEE TRAINING AND INVOLVEMENT
The directors maintain regular communication and consultation with the employees on matters affecting employees and the group.

Employees are kept fully informed regarding the group's performance and the group operates an open door policy whereby views of employees are sought and given due consideration on matters which particularly affect them.
Employees are also involved in the affairs of the group through the service charge bonus scheme, which entitles them to a percentage of the hotel's service charge revenue.

Training is carried out at various levels through in-house and external courses. The group's skill base has been extended by a range of training provided to the employees whose opportunity for career development within the group has been enhanced.

DONATIONS AND GIFTS
The company did not donate any sum in the period (2016: nil).

By order of the Board

Helen Iwuchukwu
Company Secretary
FRC/2015/NBA/00000012716
July 12, 2017

The Companies and Allied Matters Act requires the directors to prepare financial statements for each financial year/period that give a true and fair view of the state of financial affairs of the company at the end of the year/ period and of its profit or loss. The responsibilities include ensuring that the company:

(a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and comply with the requirements of the Companies and Allied Matters Act;

(b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

(c) prepares the company's financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, and are consistently applied.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its profit or loss. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least twelve months from the date of this statement.

Transcorp Hotels Plc
Statement of financial position
as at 30 June 2017

	Note	Group 30 June 2017 N'000	Group 31 Dec 2016 N'000	Company 30 June 2017 N'000	Company 31 Dec 2016 N'000
ASSETS					
Non Current assets					
Property, plant and equipment	13	82,547,795	77,072,454	71,564,209	66,143,308
Intangible assets	14	2,063,506	2,073,383	85,760	94,904
Investment in subsidiaries	15	-	-	3,529,781	3,529,781
Investment properties	16	-	-	1,765,126	1,751,576
Long term intercompany receivables	24.2	-	-	5,141,015	5,062,875
Total non current assets		**84,611,301**	**79,145,837**	**82,085,891**	**76,582,444**
Current assets					
Inventories	19	764,840	725,857	726,151	683,615
Trade and other receivables	20	6,246,373	9,078,745	6,648,126	9,265,317
Cash and bank balances	21	1,207,952	1,814,074	1,127,169	1,757,974
Total current assets		**8,219,165**	**11,618,676**	**8,501,446**	**11,706,906**
Total assets		**92,830,466**	**90,764,513**	**90,587,337**	**88,289,350**
LIABILITIES					
Non-current liabilities					
Borrowings	17	19,571,848	14,571,848	19,571,848	14,571,848
Deposit for shares	22	2,410,000	2,410,000	-	-
Deferred tax liability	18	7,080,319	7,080,319	7,158,798	7,158,798
Total non-current liabilities		**29,062,167**	**24,062,167**	**26,730,646**	**21,730,646**
Current liabilities					
Trade and other payables	22	3,521,450	5,951,166	3,567,591	5,764,926
Borrowings	17	4,671,972	6,116,876	4,671,972	6,116,876
Current income tax liabilities	12	1,616,858	1,433,911	1,614,212	1,424,231
Total current liabilities		**9,810,280**	**13,501,953**	**9,853,775**	**13,306,033**
Total liabilities		**38,872,447**	**37,564,120**	**36,584,421**	**35,036,679**
Equity					
Ordinary share capital	28	3,800,202	3,800,202	3,800,202	3,800,202
Share premium	28	4,034,411	4,034,411	4,034,411	4,034,411
Retained earnings		46,122,566	45,364,940	46,168,303	45,418,058
Capital and reserves attributable to owners of the parent		**53,957,179**	**53,199,553**	**54,002,916**	**53,252,671**
Non-controlling interest		840	840	-	-
Total equity		**53,958,019**	**53,200,393**	**54,002,916**	**53,252,671**
Total equity and liabilities		**92,830,466**	**90,764,513**	**90,587,337**	**88,289,350**

The notes on pages 10 to 45 are an integral part of these financial statements
The financial statements on pages 5 to 47 were approved and authorised for issue by the Board of Directors on July 12, 2017 and were signed on its behalf by;

Adekunle Elumaro
FRC/2013/ICAN/00000004862
Chief Financial Officer

Valentine Chineto Ozigbo
FRC/2013/ICAN/00000005347
Managing Director/CEO

Transcorp Hotels Plc
Statement of comprehensive income
For the period ended 30 June 2017

		Group		Company	
		30 June 2017	**30 June 2016**	**30 June 2017**	**30 June 2016**
	Note	**N'000**	**N'000**	**N'000**	**N'000**
Revenue	7	6,199,850	7,607,634	5,784,333	7,260,003
Cost of sales	8	(1,699,336)	(1,832,005)	(1,548,686)	(1,710,840)
Gross profit		**4,500,514**	**5,775,629**	**4,235,647**	**5,549,163**
Administrative expenses	9	(3,644,834)	(3,580,039)	(3,387,348)	(3,361,639)
Other operating income	10	92,832	221,486	92,832	221,486
Operating profit		**948,512**	**2,417,076**	**941,131**	**2,409,010**
Finance income	11	148,332	328,878	148,332	328,101
Net finance income		**148,332**	**328,878**	**148,332**	**328,101**
Profit before taxation		**1,096,844**	**2,745,954**	**1,089,463**	**2,737,111**
Income tax expense	12	(339,218)	(856,213)	(339,218)	(856,213)
Profit for the period		757,626	1,889,741	750,245	1,880,898
Total comprehensive income for the period		**757,626**	**1,889,741**	**750,245**	**1,880,898**
Total comprehensive income for the period is attributable to:					
Owners of Transcorp Hotels Plc		**757,626**	**1,889,741**	**750,245**	**1,880,898**
Basic EPS (kobo)	27	10	25	10	25
Diluted EPS (kobo)	27	10	25	10	25

The notes on pages 10 to 45 are an integral part of these financial statements

Transcorp Hotels Plc
Statement of changes in equity
For the period ended 30 June 2017

Group	Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Non controlling interest N'000	Total Equity N'000
At 1 January 2016	**3,800,202**	**4,034,411**	**44,309,697**	**840**	**52,145,150**
Profit for the period	-	-	1,889,741	-	1,889,741
Shares alloted to NCI	-	-	-	840	840
Balance at 30 June 2016	**3,800,202**	**4,034,411**	**46,199,438**	**840**	**54,034,891**
Balance at 1 January 2017	**3,800,202**	**4,034,411**	**45,364,940**	**840**	**53,200,393**
Profit for the period	-	-	757,626		757,626
Total comprehensive income for the year	**-**	**-**	**757,626**		**757,626**
Balance at 30 June 2017	**3,800,202**	**4,034,411**	**46,122,566**	**840**	**53,958,019**

The notes on pages 10 to 45 are an integral part of these financial statements

Transcorp Hotels Plc
Statement of changes in equity
For the period ended 30 June 2017

Company	Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Total Equity N'000
Balance at 1 January 2016	**3,800,202**	**4,034,411**	**44,724,626**	**52,559,239**
Profit for the year	-	-	1,880,898	1,880,898
Total comprehensive income for the period	**-**	**-**	**1,880,898**	**1,880,898**
Balance at 30 June 2016	**3,800,202**	**4,034,411**	**46,605,524**	**54,440,137**
Balance at 1 January 2017	**3,800,202**	**4,034,411**	**45,418,058**	**53,252,671**
Initial Public Offer	-	-	-	-
Right Issue	-	-	-	-
Profit for the period	-	-	750,245	750,245
Total comprehensive income for the period	**-**	**-**	**750,245**	**750,245**
Balance at 30 June 2017	**3,800,202**	**4,034,411**	**46,168,303**	**54,002,916**

The notes on pages 10 to 45 are an integral part of these financial statements

Transcorp Hotels Plc
Statements of cash flows
For the period ended 30 June 2017

		Group		Company	
		30 June 2017	30 June 2016	30 June 2017	30 June 2016
	Note	N'000	N'000	N'000	N'000
Cash flows from operations					
Cash generated from operating activities	29	4,373,276	5,664,623	4,329,780	4,512,498
Tax paid	12	(156,271)	(1,578,787)	(149,237)	(1,578,787)
Net cash generated from operating activities		**4,217,005**	**4,085,836**	**4,180,543**	**2,933,711**
Cash flows from investing activities					
Proceeds from sale of property plant and equipment	10	-	3,500	-	3,500
Investment in subsidiary	15	-	-	-	-
Investment Property			-	(13,550)	-
Purchase of Intangible Assets	24.2	-	(1,762)	(78,140)	(1,762)
Purchase of property, plant and equipment	13	(3,934,413)	(7,700,973)	(3,830,944)	(6,469,664)
Interest received	11	148,332	328,878	148,332	328,101
Net cash used in investing activities		**(3,786,081)**	**(7,370,357)**	**(3,774,302)**	**(6,139,825)**
Cash flows from financing activities					
Proceeds from long term loan		5,000,000	-	5,000,000	-
Capitalised interest received	11	-	-	-	-
Bond-Principal repayment		(1,444,904)	-	(1,444,904)	-
Interest paid		(1,551,981)	-	(1,551,981)	-
Dividends paid		(3,040,161)	(3,105,101)	(3,040,161)	(3,105,101)
Net cash (used in) / generated from financing activities		**(1,037,046)**	**(3,105,101)**	**(1,037,046)**	**(3,105,101)**
Net (decrease) / increase in cash and cash equivalents		**(606,122)**	**(6,389,622)**	**(630,805)**	**(6,311,215)**
Cash and cash equivalents at the beginning of the period		1,814,074	14,184,829	1,757,974	13,998,377
Cash and cash equivalents at end of period	21	**1,207,952**	**7,795,207**	**1,127,169**	**7,687,162**

The notes on pages 10 to 45 are an integral part of these financial statements

1 General information

Transcorp Hotels Plc was incorporated on 12 July 1994 in Nigeria under the Companies and Allied Matters Act as a private limited liability company, and is domiciled in Nigeria. The company is engaged in the hospitality industry; particularly the rendering of hotel services.

The company owns and operates Transcorp Hilton Hotel Abuja. The hotel which is situated in Abuja provides luxury accommodation, exotic cuisines, fully equipped meeting rooms and leisure facilities to business travellers and tourists from all over the world.
The company holds 100% equity interest in Transcorp Hotels Calabar Limited and Transcorp Hotels Port Harcourt Limited and also has interests in Transcorp Hotels Ikoyi Limited.

The "Group" consists of Transcorp Hotels Plc and the above named subsidiaries.
The company's registered office is 1 Aguiyi Ironsi Street, Federal Capital Territory, Abuja, Nigeria.

2 Summary of significant accounting policies

2.1 Basis of preparation

The interim condensed consolidated financial statements for the first quarter ended 30 June, 2017 have been prepared in accordance with IAS 34 Interim Financial Reporting and the Companies and Allied Matters Act (CAMA).

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2016.

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of new standards and interpretations effective as of 1 January 2017.

In preparing these interim financial statements, Management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the period ended 30 June 2017. The interim condensed financial statements have been prepared on a historical cost basis except for the fair value basis applied to certain property plant and equipment, intangible assets, investment property and equity investments. The financial statements are presented in Naira being the functional currency of the primary economic environment in which the Company operates.

All values are rounded to the nearest thousand (₦'000), except when otherwise indicated.

2.1.1 Going Concern

The financial statements have been prepared on a going concern basis. The directors have no doubt that the company would remain in existence for at least 12 months after the reporting date.

2.1.2 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2016:
Clarification of acceptable methods of depreciation and amortisation – Amendments to IAS 16 and IAS 38.

Annual improvements to IFRSs 2012 – 2014 cycle, and
Disclosure initiative – amendments to IAS 1.

The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2016 are not material to the group.

(b) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2016 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below.

Title of standard	**IFRS 9 Financial Instruments**
Nature of change	IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.
Impact	While the group has yet to undertake a detailed assessment of the classification and measurement of financial assets, debt instruments currently classified as available-forsale (AfS) financial assets would appear to satisfy the conditions for classification as at fair value through other comprehensive income (FVOCI) and hence there will be no change to the accounting for these assets. The other financial assets held by the group include: i) equity instruments currently classified as AfS for which a FVOCI election is available ii) equity investments currently measured at fair value through profit or loss (FVPL) which would likely continue to be measured on the same basis under IFRS 9, and iii) debt instruments currently classified as held-to-maturity and measured at amortised cost which appear to meet the conditions for classification at amortised cost under IFRS 9. Accordingly, the group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets. There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The derecognition rules have been transferred from IAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

Title of standard	**IFRS 9 Financial Instruments (cont'd)**
	The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under IFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. While the group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses. The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.
Mandatory application date/ Date of adoption by group	Must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed IFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety. The group does not intend to adopt IFRS 9 before its mandatory date.
Title of standard	**IFRS 15 Revenue from Contracts with Customers**
Nature of change	The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.
Impact	Management is currently assessing the effects of applying the new standard on the group's financial statements and has identified the following areas that are likely to be affected: i)Accounting for the customer loyalty programme – IFRS 15 requires that the total consideration received must be allocated to the points and goods based on relative stand-alone selling prices rather than based on the residual value method; this could result in different amounts being allocated to the goods sold and delay the recognition of a portion of the revenue. ii) accounting for certain costs incurred in fulfilling a contract – certain costs which are currently expensed may need to be recognised as an asset under IFRS 15, and iii) rights of return – IFRS 15 requires separate presentation on the balance sheet of the right to recover the goods from the customer and the refund obligation. At this stage, the group is not able to estimate the impact of the new rules on the group's financial statements. The group will make more detailed assessments of the impact over the next twelve months.
Mandatory application date/ Date of adoption by group	Mandatory for financial years commencing on or after 1 January 2018. Expected date of adoption by the group: 1 January 2018.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has control. Control exists when the group has power over the investee, is exposed to, or has rights to variable returns from its involvement with investee, and has the ability to use its power to affect the returns. Subsidiaries are accounted for at cost in the separate financial statements of Transcorp Hotels Plc. In the consolidated financial statements, subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

Business Combination

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are with limitations, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the present ownership instrument's proportionate share of the recognised amounts of acquiree's identifiable net assets for components that are present and entitle their holders to a proportionate share of net assets in the events of liquidation. All other components of non-controlling interests are measured at fair value.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income.

Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill.

If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-Company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(b) Disposal of subsidiaries
When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss.

In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(c) Common control transactions
The group applies predecessor values method in accounting for business combination under common control. The financial statements are prepared using predecessor book values, i.e. the book values of the net assets of the acquiree company in the consolidated accounts of Transcorp Hotels Plc before the transaction, without any step up to fair value. The difference between any consideration given and the aggregate book value of the assets and liabilities (as of the date of the transaction) of the acquired entity is recorded as an adjustment to equity. This is recorded in retained earnings. No additional goodwill is created by the transaction.

2.3 Segment reporting
The chief operating decision-maker has been identified as the Board of Directors of Transcorp Hotels Plc. The Board reviews the Group’s internal reporting in order to assess performance and allocate resources. The directors have determined the operating segments based on these reports. Assessment of performance is based on operating profits of the operating segment that is reviewed by the Board. Other information provided to the Board is measured in a manner consistent with that of the financial statements.
The Board considers the business from an industry perspective and has identified one (1) operating segment which is the hospitality business as none of the subsidiaries consolidated qualify for segment analysis.

The hospitality business is made up of Transcorp Hotels Plc (THP) and its subsidiaries, Transcorp Hotels Calabar Limited (THC), Transcorp Hotels Ikoyi Limited and Transcorp Hotels Port Harcourt Limited.

2.4 Foreign currency translation
(a) Functional and presentation currency
Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which Transcorp Hotels Plc operates ('the functional currency'). The functional currency of Transcorp Hotels Plc and its subsidiaries is the Nigerian Naira. All entities in the group have the same functional currency. The financial statements are also presented in Naira.

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within ‘finance income or costs’. All other foreign exchange gains and losses are presented in the income statement within ‘other (expenses)/income – net’. Translation differences related to changes in amortised cost are recognised in profit or loss.

2.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost can be measured reliably.

All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity.

As often as it occurs, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

Freehold land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their costs or revalued amounts to their residual values over their estimated useful lives, as follows:

Leasehold buildings	2 %	Plant and machinery	10 %
Furniture and fittings	20%	Computer equipment	33 %
Motor vehicles	25%		

The group allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant parts and depreciates separately each such part. The carrying amount of a replaced part is derecognized when replaced. Residual values, method of amortization and useful lives of the assets are reviewed annually and adjusted if appropriate.

Where an indication of impairment exists, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than it's estimated recoverable amount.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in other income or expense - net in the Statement of profit or loss for the period.

2.6 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over Transcorp Hotel Plc's interest in the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

The goodwill in the books arose from the purchase of Transcorp Hotels Calabar Limited which operates the Transcorp Hotel, Calabar.

For purposes of impairment testing, the entire business is treated as one cash generating unit (CGU).

(b) Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- the directors intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development, employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives from the point at which the asset is ready for use. The estimated useful lives of the software of the group is between three to eight years.

2.7 Investment properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the entities in the consolidated Group, are classified as investment properties.

Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. This is usually the day when all risks are transferred.

Investment properties are measured initially at cost, including transaction costs, in the year of acquisition. The carrying amount includes the cost of replacing parts of an existing investment property at the time the cost was incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the date of the consolidated statement of financial position.

Gains or losses arising from changes in the fair value of investment properties are included in the consolidated income statement in the year in which they arise. Subsequent expenditure is included in the asset’s carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the consolidated profit or loss during the financial period in which they are incurred.

The fair value of investment properties is based on the nature, location and condition of the specific asset. The fair value is obtained from professional third party valuers contracted to perform valuations on behalf of the Group. The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure. These valuations are performed annually by external appraisers.

If entity owns property that is leased to, and occupied by, another entity in the same group, the property does not qualify as investment property in consolidated financial statements that include both entities. This is because the propertyis owner-occupied from the perspective of the group as a whole. However, from the perspective of the individual entity that owns it, the property is investment property.

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9 Financial assets

The group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

2.9.1 Classification of financial instruments

Management determine the classification of its financial instruments at initial recognition.

(a) Financial assets and liabilities at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet.

(c) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the directors have the positive intention and ability to hold to maturity, other than:

(a) those that the group upon initial recognition designates as at fair value through profit or loss;
(b) those that the group designates as available-for-sale; and
(c) those that meet the definition of loans and receivables.

(d) Financial liabilities at amortized cost

Financial liabilities at amortized cost consists of trade payables.
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less.

2.9.2 Recognition and measurement

(a) Loans and receivables

Loans and receivables are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

(b) Held-to-maturity investments
Held-to-maturity investments are initially recognised at fair value including direct and incremental transaction costs and measured subsequently at amortised cost, using the effective interest method.

(c) Financial liabilities at amortized cost
Trade payables are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, trade payables are measured at amortized cost using the effective interest method.

2.10 Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.11 Impairment of financial assets
Assets carried at amortised cost
The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.
The criteria that the group uses to determine that there is objective evidence of an impairment loss include:
- significant financial difficulty of the debtor or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the company, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or

- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
  (i) adverse changes in the payment status of borrowers in the portfolio; and
  (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group first assesses whether objective evidence of impairment exists.
For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.
If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

2.12 Inventories

Inventories are stated at the lower of cost and estimated net realisable value. Cost is determined using the weighted average method. This includes the cost of direct materials to the company's premises and other direct costs. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

2.13 Cash, cash equivalents and bank overdrafts

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

2.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.
Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.
Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The fair values of borrowings are based on cash flows discounted using a rate based on the borrowing rate of 16% (2016: 16%). The rate used is the average interest rate obtainable from commercial banks and has been determined as a level 2 measure within the fair value hierarchy.

2.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, (i.e. capitalised) until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.
Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.17 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is recognised in other comprehensive income or directly in equity, respectively.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the statement of profit or loss, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax liabilities on a net basis.

Deferred tax assets and liabilities are presented as non-current in the statement of financial position.

2.18 Employee benefits

(a) Defined contribution scheme

The group operates a defined contributory pension scheme in line with the provisions of the Pension Reform Act 2014. The employer's contributions are recognised as employee benefit expenses when they are due. The group has no further payment obligation once the contributions have been paid.

(b) Profit-sharing and bonus plan

The Group operates a bonus plan where staff are remunerated based on parameters determined by the Board. Bonus payments are at the discretion of the Board and the expense is recognised as in the year it is incurred. There is no contractual obligation neither has there been a past practice to create a constructive obligation.

2.19 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable stated net of discounts, returns and value added taxes. The group earns revenue from the sale of goods and services.

Revenue comprises the fair value of the consideration received or receivable from the sale of goods and services in the ordinary course of the Company's activities. Revenue is recognised when it is probable that the economic benefits associated with a transaction will flow to the Company and the amount of revenue and associated costs incurred or to be incurred can be measured reliably.

Revenue includes hotel, entertainment and restaurant revenues, other service fees, rental income and the invoiced value of goods and services sold less returns and allowances. Value Added Tax (VAT) and other taxes are excluded from revenue and treated as overhead expenses , as these are borne by the Company and not by its customers. VAT on all other revenue transactions is considered to be a tax collected by the Company as an agent on behalf of the revenue authorities and is excluded from revenue.

Transcorp Hilton Hotel Abuja offers a customer loyalty programme called the Hilton Honours Guest Reward Programme on behalf of the Hilton International. Under this programme, registered members earn points when they pay for rooms or services at the hotel. The group accounts for the points as a separately identifiable component of the sales transaction in which they are granted (the 'initial sale' of rooms or service). The consideration received or receivable in respect of the initial sale is allocated between the points and the sale of rooms or service with reference to the fair value of the points. Revenue is measured as the net amount retained by the hotel, i.e. the difference between the consideration allocated to the award credits and the amount payable to the Hilton International for supplying the awards.

Interest income is recognised using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

2.20 Leases

Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Finance lease

Leases of items by the group where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the asset and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.21 Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the group's shareholders. In respect of interim dividends, these are recognised when declared by the Board of Directors.

2.22 Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

3 Financial risk management

This note explains the group's exposure to financial risks and how these risks could affect the group's future financial performance. Current period profit and loss information has been included where relevant to add further context.

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	Future commercial transactions, Recognised financial assets and liabilities not denominated in Naira units	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversion
Credit risk	Cash and cash equivalents, trade receivables, available-for-sale debt instruments and held-to-maturity investments	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit Investment guidelines for available-for-sale and held-to-maturity investments.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.

The group's financial risk management is carried out by a central treasury department (group treasury) under policies approved by the board of directors. Group treasury identifies, evaluates and manages financial risks in close co-operation with the group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

3.1 Market risk

(i) Foreign exchange risk

The group and company's exposure to foreign currency risk at the end of the reporting period, expressed in the individual foreign currency units was as follows:

Exposure	**30-Jun-17**	**30-Jun-17**	**30-Jun-17**
Group	**USD'000**	**GBP' 000**	**Euro'000**
Cash and cash equivalents	1,933	149	27
Trade payables	311	-	-
	31-Dec-16	**31-Dec-16**	**31-Dec-16**
Cash and cash equivalents	3,527	158	19
Trade payables	661	-	-
	30-Jun-17	**30-Jun-17**	**30-Jun-17**
Company	**USD'000**	**GBP '000**	**Euro'000**
Cash and cash equivalents	1,933	149	27
Trade payables	311	-	-
	31-Dec-16	**31-Dec-16**	**31-Dec-16**
Cash and cash equivalents	3,382	158	19
Trade payables	661	-	-

3.1 Market risk (continued)

Amounts recognised in profit or loss and other comprehensive income
During the period, the following foreign-exchange related amounts were recognised in profit or loss and other comprehensive income:

		Group		Company	
	Note	**30 June 2017 N'000**	**30 June 2016 N'000**	**30 June 2017 N'000**	**30 June 2016 N'000**
Net foreign exchange gain included in other income	*10*	4,660	217,986	4,660	217,986

Sensitivity
As shown in the table above, the group is primarily exposed to changes in US Dollars/Naira exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from US-dollar denominated financial instruments.

	Group		Company	
	30 June 2017 N'000	**30 June 2016 N'000**	**30 June 2017 N'000**	**30 June 2016 N'000**
Impact on post tax profit / (loss)				
US/=N= exchange rate – increase 25%	123,840	217,816	123,840	206,796

(ii) Cash flow and fair value interest rate risk

The group's main interest rate risk arises from long-term borrowings with fixed interest rates. The group's borrowings at fixed rate were mainly denominated in Nigerian currency (Naira).

The group's fixed rate borrowings and receivables are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IFRS 7, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

3.2 Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

(i) Risk management
Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum national rating of 'A' are accepted.

There is no independent rating for customers. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The compliance with credit limits by customers is regularly monitored by line management.

Sales to customers are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.
The credit ratings of the investments are monitored for credit deterioration.

(ii) Security
No security is obtained for trade receivables either in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.
However, some guests are required to provide security deposits for credit transactions while others are granted credit on the strenght of their credibility and past performances. In the case of default, unpaid balances are set off against security deposit while others are referred to debt collection agents.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.
There are no credit ratings for Transcorp Hotel Plc's current assets.However, the company's cash and bank equivalent listed below are purely, bank and short term deposits.

	Group		Company	
	30 June 2017 N'000	31 Dec' 2016 N'000	30 June 2017 N'000	31 Dec' 2016 N'000
Cash at bank and short-term bank deposits	1,207,952	1,814,074	1,127,169	1,757,974

None of the amounts receivable from related parties are past due or impaired and repayments have been received regularly and on time historically. Management has established a related entity risk management framework including pre-determined limits for extending credit to key management personnel.
(iii)Impaired trade receivables
Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet been identified. Other receivables are not impaired. For these receivables the estimated impairment losses are recognised in a separate provision for impairment.

The group considers that there is evidence of impairment if any of the following indicators are present:
- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or delinquency in payments (more than 90 days overdue).

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash.

Impairment losses are recognised in profit or loss within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses.

Individually impaired trade receivables relate to customers who had defaulted for more than 90 days where there is no evidence for recoverability of amounts owed. The group expects that a portion of the receivables will be recovered and has recognised impairment losses of ₦138 million and ₦109 million for group and company respectively. The ageing of these receivables is as follows:

	Group		Company	
	30 June 2017 N'000	31 Dec 2016 N'000	30 June 2017 N'000	31 Dec 2016 N'000
1 to 3 months	-	-	-	-
3 to 6 months	48,365	51,982	38,336	41,952
Over 6 months	89,822	96,538	71,195	77,912
	138,187	**148,520**	**109,531**	**119,864**

Movements in the provision for impairment of trade receivables that are assessed for impairment collectively are as follows:

	Group		Company	
	N'000	N'000	N'000	N'000
At 1 January	148,520	239,726	119,864	219,734
Additional provision recognised	5,282	93,100	5,282	84,436
Receivables previously written off as uncollectible now recovered	(5,282)	(151,879)	(5,282)	(151,879)
Provision no longer required	-	(32,427)	-	(32,427)
At 30 June	**138,187**	**148,520**	**109,531**	**119,864**

	Group		Company	
	30 June 2017	**31 Dec 2016**	**30 June 2017**	**31 Dec 2016**
	N'000	**N'000**	**N'000**	**N'000**
Amounts recognised in profit or loss	5,282	91,206	5,282	91,073

(iv) Past due but not impaired
As at 30 June 2017, trade receivables of ₦274 million were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	Group		Company	
	30 June 2017	**31 Dec 2016**	**30 June 2017**	**31 Dec 2016**
	N'000	**N'000**	**N'000**	**N'000**
Up to 3 months	20,161	283,496	20,161	251,735
3 to 6 months	253,685	182,628	188,457	162,167
	273,846	**466,124**	**208,618**	**413,902**

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due. The group does not hold any collateral in relation to these receivables.

	Group		Company	
	30 June 2017	**31 Dec 2016**	**30 June 2017**	**31 Dec 2016**
Neither past due not Impaired	**N'000**	**N'000**	**N'000**	**N'000**
Less than 3 months	**5,618,547**	**8,177,170**	**6,093,606**	**8,424,684**

3.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the group held deposits at call of N100 million (2016–N100 million) that are expected to readily generate cash inflows for managing liquidity risk.

Management monitors rolling forecasts of the group's liquidity reserve and cash and cash equivalents (note 21) on the basis of expected cash flows.

This is generally carried out at each of the respective companies of the group in accordance with practice and limits set by the group. These limits vary to take into account the liquidity of the market in which the entity operates.
In addition, the group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Maturities of financial liabilities
The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. For trade payables, balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities (Company)	Less than 6 months	6 – 12 months	Between 1 and 5 years	Total contractual cash flows and carrying amount
30-Jun-17	**N'000**	**N'000**	**N'000**	**N'000**
Trade payables	59,948	62,395	-	122,343
Borrowings	-	-	24,243,820	24,243,820

Contractual maturities of financial liabilities (Group)	Less than 6 months	6 – 12 months	Between 1 and 5 years	Total contractual cash flows and carrying amount
30-Jun-17	**N'000**	**N'000**	**N'000**	**N'000**
Trade payables	59,948	62,395	-	122,343
Borrowings	-	-	24,243,820	24,243,820

4 Capital risk management

(a) Risk management

The group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group monitors capital on the basis of the following gearing ratio:

- Net debt as per note 30 divided by total 'equity' (as shown in the balance sheet, including non-controlling interests).

In 2017, the group's strategy is to maintain a gearing ratio within 20% to 70% and a minimum B credit rating. The credit rating was unchanged and the gearing ratios at 30 June 2017 and 31 December 2016 were as follows:

	Group		**Company**	
	30 June 2017	**31 Dec 2016**	**30 June 2017**	**31 Dec 2016**
	N'000	**N'000**	**N'000**	**N'000**
Net debt (note 30)	23,035,868	18,874,650	23,116,651	18,930,750
Total equity	53,958,019	53,200,393	54,002,916	54,440,137
Net debt to equity ratio	43%	35%	43%	35%

(i) Loan covenants
Under the terms of the major borrowing facilities, the group is required to comply with the following financial covenants:
- Maximum net debt: EBITDA of 3.0 from the Issue date to the maturity date.
- Minimum historical Debt Service Coverage Ratio ("DSCR") to be maintained at 1.2 times. The DSCR would be calculated as (Cash Flow Available for Debt Service/Total Debt - Service net of available cash and cash equivalents);
- Minimum Interest Cover to be maintained at 2.0 times. This will be calculated as the historical EBITDA/Net Interest Expenses;
- Secured indebtedness shall not exceed 50% of the Issuer's Net Asset determined on the basis of total assets less total liabilities, as stated in the Issuer's most recent consolidated financial statements.

5 Recognised fair value measurements

This note explains the judgements and estimates made in determining the fair values of the non-financial assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial assets and liabilities into the three levels prescribed under the accounting standards.

At 30 June 2017	**Notes**	**Level 1 N'000**	**Level 2 N'000**	**Level 3 N'000**	**Total N'000**
Investment properties	16	-	1,765,126	-	1,765,126
Total Non-financial assets		-	1,765,126		1,765,126
At 31 December 2016					
Investment properties	16	-	1,751,576	-	1,751,576
Total Non-financial assets		-	1,751,576	-	1,751,576

The group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.
There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the period. The investment property was carried at cost in the prior period, being the year of acquisition.

ii) Valuation techniques used to determine level 2 fair values
The group obtains independent valuations for its investment properties at least annually.
At the end of each reporting period, the directors update their assessment of the fair value of its property, taking into account the most recent independent valuations. The directors determine a property's value within a range of reasonable fair value estimates.
The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the directors consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

All resulting fair value estimates for properties are included in level 2 .The key inputs under this approach are the price per square metre from current year sales of comparable lots of land in the area (location and size).

6 Critical accounting estimates and judgements

Critical accounting policies and key sources of estimation uncertainty
The preparation of financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The following discusses the most significant accounting judgments and estimates that the company has made in the preparation of the financial statements:

Impairment of goodwill
The Group reviews goodwill at least annually and other non-financial assets when there is any indication that the assets might be impaired. The Group has estimated the value in use and fair value of operating segments to which goodwill is allocated using discounted cash flow models that required assumptions about future cash flows, margins, and discount rates. See note 14 for methods and assumptions used in estimating net recoverable amount.

Sensitivity
If the average budgeted gross margin used in the value-in-use calculation for Transcorp Hotels Calabar Limited (CGU) had been 1% lower than management's estimates at 31 December 2016 (69% instead of 70%), the group would have had to recognise an impairment against the carrying amount of goodwill of N291.9 million.

The reasonably possible change of 1% reduction in average budgeted gross margin represents a reasonably possible reduction in sales of 2%.

If the pre-tax discount rate applied to the cash flow projections of this CGU had been 1% higher than management's estimates (20% instead of 19%), the group would have had to recognise an impairment against investment in Transcorp Hotels Calabar Limited (THCL) of N200 million.

In the prior year there were no reasonably possible changes in any of the key assumptions that would have resulted in an impairment write-down in Investment in THCL.

7 Revenue	Group 30 June 2017 N'000	Group 30 June 2016 N'000	Company 30 June 2017 N'000	Company 30 June 2016 N'000
Rooms	3,817,833	4,938,592	3,580,995	4,745,352
Food and beverages	1,723,778	1,999,687	1,564,835	1,862,885
Shop rental	316,419	338,421	316,419	338,421
Service charge	60,009	7,348	51,138	-
Other operating revenue	281,811	323,586	270,946	313,345
	6,199,850	7,607,634	5,784,333	7,260,003

The group earns revenue from the sale of goods and services, mainly hotel accommodation, sale of food and beverages, entertainment and restaurant revenues, other related service fees and rental income.
All the revenues were generated in Nigeria. The group does not have any customer that accounts for more than 5 % of its revenue.

8 Cost of sales	Group 30 June 2017 N'000	Group 30 June 2016 N'000	Company 30 June 2017 N'000	Company 30 June 2016 N'000
Rooms	289,494	11,972	270,997	-
Food and beverages	685,024	568,037	597,203	503,789
Other operating departments	15,750	12,690	15,750	12,690
Staff costs	709,068	1,239,306	664,736	1,194,361
	1,699,336	1,832,005	1,548,686	1,710,840

9 Administrative expenses	Group 30 June 2017 N'000	Group 30 June 2016 N'000	Company 30 June 2017 N'000	Company 30 June 2016 N'000
Staff costs	636,529	600,433	607,033	571,272
Depreciation	505,363	474,079	456,333	419,408
Auditors remuneration	22,500	7,962	15,000	462
Management and incentive fees	424,230	483,195	424,230	483,195
Professional fees	24,908	29,108	24,101	28,958
Directors' remuneration	34,875	63,692	33,175	62,872
Bank charges	88,213	66,742	85,474	66,278
Repairs and maintenance	248,820	240,134	221,960	217,577
Energy cost	643,693	537,288	534,348	461,498
Amortisation	9,144	7,675	9,144	6,429
Insurance	143,679	77,261	143,679	77,261
Group services and benefits	115,687	145,200	115,687	145,200
Other operating expenses	747,193	847,270	717,184	821,229
	3,644,834	3,580,039	3,387,348	3,361,639

10 Other operating income - net	Group 30 June 2017 N'000	Group 30 June 2016 N'000	Company 30 June 2017 N'000	Company 30 June 2016 N'000
Profit on fixed asset disposal	-	3,500	-	3,500
Net foreign exchange gain	4,660	217,986	4,660	217,986
Other income	88,172	-	88,172	
	92,832	221,486	92,832	221,486

	Group 30 June 2017 N'000	Group 30 June 2016 N'000	Company 30 June 2017 N'000	Company 30 June 2016 N'000
11 Finance income and cost				
Finance income				
Interest on bank deposits	4,354	328,878	4,354	328,101
Interest on intercompany loan	143,978	-	143,978	-
	148,332	328,878	148,332	328,101
Finance cost				
Interest expense	2,046,290	2,166,354	2,046,290	2,166,354
Less amount capitalised	(2,046,290)	(2,166,354)	(2,046,290)	(2,166,354)
Finance cost expensed	-	-	-	-

Capitalised borrowing cost

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the group's specific borrowings during the period, in this case 16% (2016 – 16%).

12 Taxation

Current tax	Group 30 June 2017 N'000	Group 30 June 2016 N'000	Company 30 June 2017 N'000	Company 30 June 2016 N'000
Income tax	318,017	802,700	318,017	802,700
Education tax	21,201	53,513	21,201	53,513
	339,218	856,213	339,218	856,213

The movement in tax payable is as follows:

	Group 30 June 2017 N'000	Group 31 Dec 2016 N000	Company 30 June 2017 N'000	Company 31 Dec 2016 N000
At 1 January	1,433,911	2,932,574	1,424,231	2,912,972
Adjustments for current tax of prior periods		1,947	-	-
Provision	339,218	1,542,049	339,218	1,531,285
Payment during the period	(156,271)	(3,042,659)	(149,237)	(3,020,026)
At 30 June	**1,616,858**	**1,433,911**	**1,614,212**	**1,424,231**

A reconciliation between tax expense and the product of accounting profit multiplied by Nigeria's domestic tax rate for the period ended 30 June 2017 and 31 December 2016 is as follows:

	Group 30 June 2017 N'000	Group 31 Dec 2016 N000	Company 30 June 2017 N'000	Company 31 Dec 2016 N000
Profit before tax	1,096,844	2,745,954	1,089,463	2,737,111
Tax at Nigeria Corporation tax rate of 30% (2015: 30%)	329,053	802,700	326,839	802,700
Education tax	21,201	53,513	21,201	53,513
Effect of permanent difference	-	-	-	-
Tax effect of income not subjected	-	-	-	-
Income tax under provision in prior	-	-	-	-
Tax charge for the period	**350,254**	**856,213**	**348,040**	**856,213**

13 Property plant and equipment

Group	Freehold Land	Leasehold Building	Plant & Machinery	Capital work in progress	Computer Equipment & Furniture & Fittings	Motor Vehicle	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost							
1 January 2016	34,998,013	15,597,391	3,006,280	12,457,068	2,636,193	473,898	69,168,843
Additions	171,535	88,868	326,299	9,808,360	233,565	8,041	10,636,668
Interest cost capitalised in the year	-	-	-	4,078,949	-	-	4,078,949
Reclassifications	-	-	39,694	(146,541)	106,847	-	-
Disposals	-	-	(1,018)	-	-	(6,784)	(7,802)
31 December 2016	**35,169,548**	**15,686,259**	**3,371,255**	**26,197,836**	**2,976,605**	**475,155**	**83,876,658**
1 January 2017	35,169,548	15,686,259	3,371,255	26,197,836	2,976,605	475,155	83,876,658
Additions	91,690	22,141	28,845	3,697,398	94,339	-	3,934,413
Interest cost capitalised in the period	-	-	-	2,046,290	-	-	2,046,290
30 June 2017	**35,261,238**	**15,708,400**	**3,400,100**	**31,941,524**	**3,070,944**	**475,155**	**89,857,361**
Accumulated depreciation and impairment losses							
1 January 2016	-	1,770,640	1,864,694	-	1,944,966	254,404	5,834,704
Charge for the year	-	373,214	280,024	-	249,767	74,297	977,302
Disposals	-	-	(1,018)	-	-	(6,784)	(7,802)
31 December 2016	**-**	**2,143,854**	**2,143,700**	**-**	**2,194,733**	**321,917**	**6,804,204**
1 January 2017	-	2,143,854	2,143,700	-	2,194,733	321,917	6,804,204
Depreciation for the period	-	188,305	147,931	-	135,219	33,907	505,362
30 June 2017	**-**	**2,332,159**	**2,291,631**	**-**	**2,329,952**	**355,824**	**7,309,566**
Net Book value							
At 1 January 2017	**35,169,548**	**13,542,405**	**1,227,555**	**26,197,836**	**781,872**	**153,238**	**77,072,454**
At 30 June 2017	**35,261,238**	**13,376,241**	**1,108,469**	**31,941,524**	**740,992**	**119,331**	**82,547,795**

13 Property plant and equipment

Company	Freehold Land	Leasehold Building	Plant& Machinery	Capital work in progress	Computer Equipment and Furniture and Fittings	Motor Vehicle	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost							
1 January 2016	30,872,625	14,415,082	2,578,354	8,561,982	2,356,235	463,064	59,247,342
Additions	-	78,691	312,556	8,236,961	233,565	-	8,861,773
Interest cost capitalised in the year	-	-	-	4,078,949	-	-	4,078,949
Reclassification	-	-	39,694	(146,541)	106,847	-	-
Disposals	-	-	(1,018)	-	-	(6,784)	(7,802)
31 December 2016	**30,872,625**	**14,493,773**	**2,929,586**	**20,731,351**	**2,696,647**	**456,280**	**72,180,262**
1 January 2017	30,872,625	14,493,773	2,929,586	20,731,351	2,696,647	456,280	72,180,262
Additions	-	22,141	22,879	3,697,398	88,526	-	3,830,944
Interest cost capitalised in the period	-	-	-	2,046,290	-	-	2,046,290
30 June 2017	**30,872,625**	**14,515,914**	**2,952,465**	**26,475,039**	**2,785,173**	**456,280**	**78,057,496**
Accumulated depreciation and impairment losses							
1 January 2016	-	1,638,656	1,607,283	-	1,688,547	244,187	5,178,673
Charge for the year	-	332,742	231,135	-	228,161	74,045	866,083
Write offs	-	-	-	-	-	-	-
Disposals	-	-	(1,018)	-	-	(6,784)	(7,802)
31 December 2016	**-**	**1,971,398**	**1,837,400**	**-**	**1,916,708**	**311,448**	**6,036,954**
1 January 2017	-	1,971,398	1,837,400	-	1,916,708	311,448	6,036,954
Charge for the period	-	168,004	129,888	-	124,947	33,494	456,333
30 June 2017	**-**	**2,139,402**	**1,967,288**	**-**	**2,041,655**	**344,942**	**6,493,287**
Net Book Value							
At 1 January 2017	**30,872,625**	**12,522,375**	**1,092,186**	**20,731,351**	**779,939**	**144,832**	**66,143,308**
At 30 June 2017	**30,872,625**	**12,376,512**	**985,177**	**26,475,039**	**743,518**	**111,338**	**71,564,209**

None of the non-current assets have been pledged as security by the group.
Borrowing costs capitalised amounted to N2.05 billion (2016 : N4.08 billion)

14 Intangible assets

	Group			Company
	Goodwill	**Computer software**	**Total**	**Computer software**
Cost	**N'000**	**N'000**	**N'000**	**N'000**
1 January 2016	1,974,756	113,603	2,088,359	103,141
Additions	-	65,206	65,206	65,206
31 December 2016	**1,974,756**	**178,809**	**2,153,565**	**168,347**
1 January 2017	1,974,756	178,809	2,153,565	168,347
Additions	-	(733)	-733	-
30 June 2017	**1,974,756**	**178,076**	**2,152,832**	**168,347**
Accumulated amortisation				
1 January 2016	-	55,792	55,792	51,116
Amortisation for the year	-	24,390	24,390	22,327
31 December 2016	**-**	**80,182**	**80,182**	**73,443**
1 January 2017	-	80,182	80,182	73,443
Amortisation for the period	-	9,144	9,144	9,144
30 June 2017	**-**	**89,326**	**89,326**	**82,587**
Net Book Value				
1 January 2017	**1,974,756**	**98,627**	**2,073,383**	**94,904**
30 June 2017	**1,974,756**	**88,750**	**2,063,506**	**85,760**

The group determines at each reporting date whether there is any objective evidence that intangible assets are impaired. The remaining amortisation period for computer software cost is between 3 to 6 years. Goodwill is not amortised but tested for impairment annually.

The group periodically evaluates its non- current assets for impairment, whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The group's judgements regarding the existence of impairment indicators are based on market conditions and operational performance of the business. Future events could cause management to conclude that impairment indicators exist.

14.1 *Goodwill*

Goodwill arose from the excess of the consideration over acquisition-date fair values of identifiable assets and liabilities of Transcorp Hotels Calabar Limited acquired. The goodwill amount relates to pre-existing goodwill from previous acquisition of Transcorp Hotels Calabar Limited. No additional goodwill was recorded in the period.

In assessing goodwill for impairment at 31 December 2016 , the company compared the aggregate recoverable amount of the assets included in the CGU to its respective carrying amounts. Recoverable amount has been determined based on the value in use of the CGUs using five year cash flow budgets approved by directors that made maximum use of observable markets for inputs and outputs. For periods beyond the budget period, cash flows were extrapolated using growth rates that do not exceed the long-term average growth rate for the business.

Based on the results of the impairment evaluation described above, the recorded goodwill was not impaired as the recoverable amount of the subsidiary exceeded the carrying value.

14.1 Goodwill (continued)

The key assumptions used for the value-in-use calculations are as follows:

	31 Dec 2016
Budgeted gross margin %	70%
Terminal growth rate	3%
Pre-tax discount rate	19%
Recoverable amount of CGU (N'000)	3,573,610

Management has determined the values assigned to each of the above key assumptions as

Assumption Used	Approach used to determining values
Sales volume	Average annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development.
Sales price	Average annual growth rate over the five-year forecast period; based on current industry trends and including long term inflation
Budgeted gross margin	Based on past performance and management's expectations for the future.
Other operating costs	Fixed costs of the CGU, which do not vary significantly with sales volumes or prices. Management forecasts these costs based on the current structure of the business, adjusting for inflationary increases but not reflecting any future restructurings or cost saving measures. The amounts disclosed above are the average operating costs for the five-year forecast period.
Annual capital expenditure	Expected cash costs in the CGU. This is based on the historical experience of management, and the planned refurbishment expenditure. No incremental revenue or cost savings are assumed in the value-in-use model as a result of this expenditure.
Long-term growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.
Pre-tax discount rates	Reflect specific risks relating to the CGU and the countries in which they operate.

Reasonably possible changes in key assumptions would not cause the recoverable amount of goodwill to fall below the carrying value.

Goodwill has been allocated to the following CGU as follows

	31 Dec 2016 N'000
Transcorp Hotels Calabar Limited (THCL)	1,974,756

15 Investment in subsidiaries

	Company	
	30 June 2017	31 Dec 2016
	N'000	N'000
Transcorp Hotels Calabar Limited	3,508,621	3,508,621
Transcorp Hotels Port Harcourt Limited	20,000	20,000
Transcorp Hotels Ikoyi Limited	1,160	1,160
	3,529,781	**3,529,781**

Movement in investment in subsidiaries is analysed as follows:

	Company	
	30 June 2017	31 Dec 2016
	N'000	N'000
At beginning of period	3,529,781	3,508,621
Additions - cost	-	21,160
At end of period	**3,529,781**	**3,529,781**

The shareholders of Transcorp Hotels Ikoyi are Transcorp Hotels Plc (52%) and Heirs Holdings Limited (48%).

Transcorp Hotels Port Harcourt Limited is a wholly owned subsidiary of Transcorp Hotels Plc. The company was incorporated on registered 1 March 2014 as a private limited liability company.

Non-controlling interests are not material to the group, hence no summarised financial information has been disclosed.

16 Investment property

	Group		Company	
	30 June 2017	31 Dec 2016	30 June 2017	31 Dec 2016
	N'000	N'000	N'000	N'000
At beginning of period	1,751,576	1,507,000	1,751,576	1,507,000
Additions	13,550	73,041	13,550	73,041
Fair value gain / (loss) on investment property	-	171,535	-	171,535
Transfer to property, plant and equipment	(1,765,126)	(1,751,576)	-	-
Closing balance	**-**	**-**	**1,765,126**	**1,751,576**

17 Borrowings

	Group		Company	
	30 June 2017	31 Dec 2016	30 June 2017	31 Dec 2016
	N'000	N'000	N'000	N'000
Unsecured and non- current bond	14,571,848	14,571,848	14,571,848	14,571,848
Unsecured and current bond	4,671,972	4,671,972	4,671,972	4,671,972
Unsecured long term loan	5,000,000	-	5,000,000	-
Total borrowings	**24,243,820**	**19,243,820**	**24,243,820**	**19,243,820**

The company issued:

i) a N10 billion 7-year 16.00% fixed rate bonds made through 100% firm underwriting process wherein
the Issue is offered to Qualified Institutional Investors ("QIIs") and High Net Worth Investors ("HNIs") as defined under Rule 321 of the Rules and Regulations of the Securities and Exchange Commission, and

ii) a N9.758 billion subscribed 5-year 15.50% fixed rate bonds made through Book building process wherein 100% of the subscribed Issue is offered to Qualified Institutional Investors ("QIIs") and High Net Worth Investors ("HNIs") as defined under Rule 321 of the Rules and Regulations of the Securities and Exchange Commission

The fair values of borrowings are based on cash flows discounted using a rate based on the borrowing rate of 16% (2015: 16%) and the rate used is the average interest rate obtainable from commercial banks.
This has been determined as a level 1 measure within the fair value hierarchy as the bond is traded
iii) a N5 billion term loan with a tenor of six years with a twelve months moratorium from a commercial bank at interest rate of 18%

Use of Proceeds:
N10 billion 7-year 16.00% fixed rate bonds

Purpose	Amount (N'000)	% of Net proceeds	Estimated completion period
Upgrade and refurbishment of Transcorp Hilton Abuja	7,611,496	76%	December 2017
Construction of Multipurpose Banquet	1,902,874	19%	December 2017
Cost of Issue	235,630	2%	Paid
Underwriting Fee	250,000	3%	Paid
	10,000,000	**100%**	

N9.758 billion 5-year 15.50% fixed rate bonds

Purpose	Amount (N'000)	% of Net proceeds	Estimated completion period
Upgrade and refurbishment of Transcorp Hilton Abuja	7,615,821	78%	December 2017
Construction of Multipurpose	1,930,955	20%	December 2017
Cost of Issue	238,224	2%	Paid
	9,785,000	**100%**	

18 Deferred tax

Movements

Group	Property, plant and equipment	Tax losses and provisions	Others	Total
	N'000	N'000	N'000	N'000
At 1 January 2016	7,453,332	6,527	22,927	7,482,786
Credited to profit or loss	(362,812)	(39,655)	-	(402,467)
At 31 December 2016	**7,090,520**	**(33,128)**	**22,927**	**7,080,319**
At 1 January 2017	7,090,520	(33,128)	22,927	7,080,319
Credited to profit or loss	-	-	-	-
At 30 June 2017	**7,090,520**	**(33,128)**	**22,927**	**7,080,319**

Company	Property, plant and equipment	Tax losses and provisions	Others	Total
	N'000	N'000	N'000	N'000
At 1 January 2016	7,230,779	(8,890)	-	7,221,889
Credited to profit or loss	(63,091)	-	-	(63,091)
At 31 December 2016	**7,167,688**	**(8,890)**	**-**	**7,158,798**
At 1 January 2017	7,167,688	(8,890)	-	7,158,798
Credited to profit or loss	-	-	-	-
At 30 June 2017	**7,167,688**	**(8,890)**	**-**	**7,158,798**

19 Inventories

	Group		Company	
	30 June 2017	31 Dec 2016	30 June 2017	31 Dec 2016
	N'000	N'000	N'000	N'000
Food and beverage	224,997	215,486	206,594	187,298
Fuel	57,387	56,075	57,387	56,075
Engineering spares	363,215	366,761	352,369	361,805
Guest supplies	119,241	117,170	109,801	108,072
	764,840	755,492	726,151	713,250
Less impairment	-	(29,635)	-	(29,635)
	764,840	**725,857**	**726,151**	**683,615**

20 Trade and other receivables

	Group		Company	
	30 June 2017	31 Dec 2016	30 June 2017	31 Dec 2016
	N'000	N'000	N'000	N'000
Trade receivables	719,686	977,289	617,408	867,798
Less: Provision for impairment of trade receivables	(138,187)	(148,520)	(109,531)	(119,864)
	581,499	828,769	507,877	747,934
Receivables from related parties (note 24.1)	3,852,842	7,001,538	4,131,192	7,300,113
Other receivables	1,458,052	812,987	1,663,155	790,539
Prepayments	353,980	435,451	345,902	426,731
	6,246,373	9,078,745	6,648,126	9,265,317

Other receivables

These amounts generally arise from transactions outside the usual operating activities of the group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained. All other receivables are due and payable within one year from the end of the reporting period.

Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

21 Cash and bank balances

	Group		Company	
	30 June 2017	31 Dec 2016	30 June 2017	31 Dec 2016
	N'000	N'000	N'000	N'000
Cash in hand	13,060	10,077	11,791	9,494
Cash in bank	1,194,892	1,803,997	1,115,378	1,748,480
	1,207,952	1,814,074	1,127,169	1,757,974

For the purpose of the cash flow statement, cash and cash equivalents comprise the following:

Cash and bank balances	1,207,952	1,814,074	1,127,169	1,757,974

22 Trade and other payables

	Group		Company	
	30 June 2017	31 Dec 2016	30 June 2017	31 Dec 2016
	N'000	N'000	N'000	N'000
Trade payables	122,343	252,154	122,343	199,264
VAT payable	54,272	102,206	54,272	55,618
Accrued liabilities	2,862,148	2,044,611	2,887,129	1,964,749
Dividend payable	-	3,040,161	-	3,040,161
Due to related parties (Note 22.1)	-	15,696	21,160	21,160
Deposits from guests	122,698	126,573	122,698	126,573
WHT Payable	314,241	328,665	314,241	316,301
Unearned income	45,748	41,100	45,748	41,100
Total	3,521,450	5,951,166	3,567,591	5,764,926

22.1 Intercompany payable

	Group		Company	
	30 June 2017	31 Dec 2016	30 June 2017	31 Dec 2016
	N'000	N'000	N'000	N'000
Transnational Corporation of Nigeria Plc	-	-	-	-
Transcorp Hotels Port Harcourt Limited	-	-	20,000	20,000
Transcorp Hotels Ikoyi Limited	-	-	1,160	1,160
	-	-	21,160	21,160

22.2 Deposit for shares

Based on the Memorandum of Understanding between Transcorp Hotels Plc and Heirs Holdings Limited, THIL will issue shares to Heirs Holdings Limited on completion of the construction and start of operation of the hotel.

Deposit for shares relates to Heirs Holding Nigeria Limited's contribution to the development of Transcorp Hotels Ikoyi Limited (THIL).

23 Financial Instruments and fair values

Measurement Categories

The following table shows the carrying values of financial assets and liabilities for each of these categories at 30 June 2017 and 31 December 2016.

Group	**30 June 2017**	**31 Dec 2016**
Financial Assets	*Loans and receivables*	*Loans and receivables*
Trade and other receivables	6,246,373	9,078,745
Cash and cash equivalents	1,207,952	1,814,074
	7,454,325	10,892,819

Measurement Categories continued

	30 June 2017 N'000	31 Dec 2016 N'000
Financial Liabilities	*Other financial*	*Other financial*
Trade payables and other liabilities	3,521,450	5,935,470
Intercompany payables	-	15,696
Borrowings	24,243,820	20,688,724
	27,765,270	26,639,890

Company	**30 June 2017**	**31 Dec 2016**
	N'000	**N'000**
Financial Assets	*Loans and receivables*	*Loans and receivables*
Trade and other receivables	6,648,126	9,265,317
Cash and cash equivalents	1,127,169	1,757,974
	7,775,295	**11,023,291**
Financial Liabilities	*Other financial liabilities at amortised cost*	*Other financial liabilities at amortised cost*
	N'000	**N'000**
Trade payables	122,343	199,264
Intercompany payables	21,160	21,160
Borrowings	24,243,820	20,688,724
	24,387,323	**20,909,148**

24 Related parties

The parent company of the company is Transnational Corporation of Nigeria Plc. The company is owned by Nigerian citizens.

A number of transactions are entered into with related parties in the normal course of business. The volumes of related-party transactions, outstanding balances at period-end, and relating expense and income for the period are as follows:

	Group		**Company**	
Sales to :	**30 June 2017**	**31 Dec 2016**	**30 June 2017**	**31 Dec 2016**
	N'000	**N'000**	**N'000**	**N'000**
Transnational Corporation of Nigeria Plc (Holding Company)	1,493	8,772	1,493	8,772
Transcorp Power Plc (Related Party)	4,103	3,973	4,103	3,973
Heirs Holdings (Related Party)	3,126	6,507	3,126	6,507

Period-end balances arising from sales/purchases of goods and services. See details of loans to related parties in note 24.3.
Intercompany transactions with related parties are conducted on terms equivalent to those prevailing in an arm's length transaction.

24.1

	Group		Company	
Receivables from related parties	**30 June 2017**	**31 Dec 2016**	**30 June 2017**	**31 Dec 2016**
	N'000	**N'000**	**N'000**	**N'000**
Parent and Holding Company				
Transnational Corporation Nigeria Plc	2,998,987	7,186,548	2,998,987	5,396,171
Heirs Holding Limited	16,989	60,022	16,989	40,944
	3,015,976	7,246,570	3,015,976	5,437,115
Subsidiary and fellow subsidiaries				
Transcorp Hotel Calabar	-	-	263,756	294,085
Transcorp Power Limited	829,780	1,861,450	829,780	1,547,234
Teragro Commodities Limited	-	6,241	-	-
Transcorp Hotels Port Harcourt Limited		-	4,491	4,491
Due from Transcorp OPL 281 Limited	17,189	17,225	17,189	17,189
Closing balance	3,862,945	9,131,486	4,131,192	7,300,114

Included in receivables from related parties are loans to related parties disclosed in note 24.3 below.

24.2 Long term intercompany receivables

	Group		Company	
	30 June 2017	**31 Dec 2016**	**30 June 2017**	**31 Dec 2016**
	N'000	**N'000**	**N'000**	**N'000**
Opening balance	-	-	5,062,875	3,564,516
Transcorp Hotels Port Harcourt Limited	-	-	3,177	60,388
Transcorp Hotels Ikoyi Limited	-	-	74,963	1,437,971
Closing balance	-	-	5,141,015	5,062,875

Long term Intercompany receivables relates to total amount incurred on on-going projects at Transcorp Hotels Port Harcourt and Transcorp Hotels Ikoyi Limited.
For group purposes, long term receivables has been represented as capital work in progress under property, plant and equipment.

24.3 Loans to related parties

	Group		Company	
	30 June 2017	**31 Dec 2016**	**30 June 2017**	**31 Dec 2016**
Beginning of the period	**N'000**	**N'000**	**N'000**	**N'000**
Transnational Corporation of Nigeria Plc	2,829,879	4,208,541	2,829,879	4,208,541
Transcorp Power Limited	1,546,315	1,860,048	1,546,315	1,860,048
Loan advanced				
Transnational Corporation Nigeria Plc	-	650,000	-	650,000
Transcorp Power Limited	-	500,000	-	500,000
Loan repayments				
Transnational company of Nigeria	(2,283,876)	(2,332,408)	(2,283,876)	(2,332,408)
Transcorp Power Limited	(800,000)	(1,000,000)	(800,000)	(1,000,000)
Interest received				
Transnational company of Nigeria	60,652	303,746	60,652	303,746
Transcorp Power Limited	82,392	186,267	82,392	186,267
End of the period	1,435,362	4,376,194	1,435,362	4,376,194

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of receivables due from related parties. Loans to related parties are included in "Intercompany Receivables"

Related parties (continued)

The company granted loans to key management personnel during the period. Total outstanding loan of N5,241,674 as at 30 June 2017 are generally for periods of 2 years repayable in monthly instalments at interest rates at 5% per annum. These loans are being deducted from their salaries on a monthly basis. Loans to key management personnel are unsecured.

Management services were bought from the parent entity (Transnational Corporation of Nigeria) as stipulated in the management service agreement at 5% of profit before tax amounting to N175,000,000 (2016 : N350,000,000)

In 2016, the board approved that management service fee will be the higher of N350 million or 5% profit before tax.

All other transactions were made on normal commercial terms and conditions and at market rates, except that there are no fixed terms for the repayment of loans between the parties. The average interest rate on the other loans during the period was 12% (2016 – 12%).
Outstanding balances are unsecured and are repayable in cash or netted off receivables from the group.

25 Staff numbers and costs

The table below shows the number of employees (excluding directors), who earned over N240,000 as emoluments in the period and were within the bands stated.

	Group		Company	
	30 June 2017	**30 June 2016**	**30 June 2017**	**30 June 2016**
Staff Numbers per grade				
Managerial	35	33	35	33
Senior staff	169	150	148	149
Others	1,167	1,596	1,000	1,428
	1,371	1,779	1,183	1,610
N240,00- N500,000	669	878	569	709
N500,001-N1,000,000	458	689	428	689
N1,000,001-N2,000,000	159	149	146	149
N2,000,001-N4,000,000	35	30	18	30
N4,000,000- N5,000,000	36	33	22	33
	1,357	1,779	1,183	1,610

Staff costs for the above persons (excluding Directors):

	Group		Company	
	30 June 2017	**30 June 2016**	**30 June 2017**	**30 June 2016**
	N'000	**N'000**	**N'000**	**N'000**
Salaries and wages	1,243,776	1,758,582	1,172,379	1,684,476
Pension cost	101,821	81,157	99,390	81,157
	1,345,597	1,839,739	1,271,769	1,765,633
Analysis of staff costs:				
Cost of sales	709,068	1,239,306	664,736	1,194,361
Administrative and general expenses	636,529	600,433	607,033	571,272
	1,345,597	1,839,739	1,271,769	1,765,633

Emoluments of directors

	Group		Company	
The remuneration paid to the Directors of the Company was:	**30 June 2017**	**30 June 2016**	**30 June 2017**	**30 June 2016**
	N'000	**N'000**	**N'000**	**N'000**
Salaries	35,944	35,944	35,944	35,944
Fees	29,750	12,768	29,750	12,768
	65,694	48,712	65,694	48,712
Amount paid to the highest paid director (excluding pension contributions)	19,524	10,738	19,524	10,738

25 Staff numbers and costs (continued)

	Group		Company	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
Chairman's emoluments				
Fees	5,250	10,768	5,250	10,768
Others	-	2,000	-	2,000
	5,250	12,768	5,250	12,768

The number of directors of the company (including the highest paid director) whose remuneration, excluding pension contributions, in respect of services to the company is within the following range:

	Group		Company	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	Number	Number	Number	Number
Less than N10,000,000	3	7	2	2
Over N10,000,000	8	2	8	7
	11	9	10	9

26 Key management compensation

Key management includes directors (executive and non-executive). The compensation paid or payable to key management for employee services is shown below:

	Group		Company	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	N'000	N'000	N'000	N'000
Salaries and other short-term employee	33,985	35,944	33,985	35,944
Defined contributions	1,959	1,959	1,959	1,959
	35,944	37,903	35,944	37,903

27 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit after taxation by the weighted average number of ordinary shares outstanding during the period. The adjusted EPS is calculated using the weighted average number of shares in issue at reporting date.

	Group		Company	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
Profit attributable to owners (N)	757.626.000	1.889.741.000	750.245.000	1.880.898.000
Weighted average number of ordinary shares in issue	7,600,403,900	7,600,403,900	7,600,403,900	7,600,403,900
Basic Earnings per share (Kobo)	**10**	**25**	**10**	**25**
Diluted Earnings per share (Kobo)	**10**	**25**	**10**	**25**

28 Share capital

	Group		Company	
	30 June 2017	**30 June 2016**	**30 June 2017**	**30 June 2016**
Authorised:				
15,000,000,000 ordinary shares of 50k each	15,000,000	15,000,000	15,000,000	15,000,000
	30 June 2017	**30 June 2016**	**30 June 2017**	**30 June 2016**
	N'000	**N'000**	**N'000**	**N'000**
Issued, called up and fully paid				
7,600,403,900 ordinary shares of 50k each	3,800,202	3,800,202	3,800,202	3,800,202

Share premium	**30 June 2017**	**30 June 2016**	**30 June 2017**	**30 June 2016**
	N'000	**N'000**	**N'000**	**N'000**
At 1 January	4,034,411	4,034,411	4,034,411	4,034,411
At 30 June	**4,034,411**	**4,034,411**	**4,034,411**	**4,034,411**

29 Cash generated from operating activities

	Group		Company	
	30 June 2017	**30 June 2016**	**30 June 2017**	**30 June 2016**
	N'000	**N'000**	**N'000**	**N'000**
Operating profit	948,512	2,417,076	941,131	2,409,010
Adjustment for non cash items				
Depreciation of fixed assets	505,362	474,079	456,333	419,409
Amortisation of intangible assets	9,877	7,675	9,144	6,429
Profit on disposal of property plant and equipment	-	(3,500)	-	(3,500)
Other adjustments to reconcile expenses for the period to cash from operating activities				
Decrease in debtors and prepayment	2,832,372	2,543,599	2,617,191	2,702,722
Increase in long term receivable	-	-	-	(1,202,832)
(Increase)/Decrease in inventory	(38,983)	42,684	(42,536)	41,994
Increase in payables and accrued expenses	116,136	183,010	348,517	139,266
Net cash generated from operations	4,373,276	5,664,623	4,329,780	4,512,498

30 Net debt reconciliation

Analysis of net debt and the movements in net debt for each of the periods presented.

	Group		Company	
	30 June 2017	**30 June 2016**	**30 June 2017**	**30 June 2016**
	N'000	**N'000**	**N'000**	**N'000**
Borrowings – repayable within one year	4,671,972	6,116,876	4,671,972	6,116,876
Borrowings – repayable after one year	19,571,848	14,571,848	19,571,848	14,571,848
Cash and cash equivalents	(1,207,952)	(1,814,074)	(1,127,169)	(1,757,974)
Net debt	23,035,868	18,874,650	23,116,651	18,930,750
Gross debt – fixed interest rates	24,243,820	20,688,724	24,243,820	20,688,724
Cash and liquid investments	(1,207,952)	(1,814,074)	(1,127,169)	(1,757,974)
Net debt (See note 4)	23,035,868	18,874,650	23,116,651	18,930,750

31 Capital commitments

The group has committed capital expenditure up to N11.7 billion (2016: N7.58 billion) for hotel expansion and upgrade.

32 Contingent liabilities

The group is involved in some legal action in the ordinary course of the business. Based on the advice from the group's legal counsel, the directors are of the opinion that the group has good defence against the claims and no material loss is anticipated.

33 Dividend per Share

No interim dividend was declared in the period

34 Subsequent events

No subsequent events after the balance sheet date came to the notice of the directors, which would materially affect the position shown by the financial statements on the balance sheet date.

Transcorp Hotels Pc
Statement of Value Added
For the period ended 30 June 2017

	Group				Company			
	2017		2016		2017		2016	
	N'000	%	N'000	%	N'000	%	N'000	%
Revenue	6,199,850		7,607,634		5,784,333		7,260,003	
Other income	241,164		550,364		241,164		549,587	
	6,441,014		8,157,998		6,025,497		7,809,590	
Bought in services								
- Foreign	(2,095,927)		(2,001,666)		(1,924,759)		(1,448,215)	
- Local	(1,397,284)		(1,334,444)		(1,283,173)		(965,477)	
	(3,493,211)		(3,336,110)		(3,207,932)		(3,097,805)	
Value added	**2,947,803**	**100%**	**4,821,888**	**100%**	**2,817,565**	**100%**	**4,711,785**	**100%**
Distribution								
Employees								
Salaries and benefits	1,345,597	46%	1,839,739	38%	1,271,769	45%	1,765,633	37%
Provider of funds								
Dividend	-	0%	-	0%	-	0%	-	0%
Government								
Taxation	339,218	12%	856,213	18%	339,218	12%	856,213	18%
The Future								
Depreciation	505,362	17%	236,195	5%	456,333	15%	209,041	4%
Retained profit	757,626	26%	1,889,741	30%	750,245	27%	1,880,898	40%
	2,947,803	**100%**	**4,821,888**	**100%**	**2,817,565**	**100%**	**4,711,785**	**100%**

Transcorp Hotels Plc
Five year financial summary
For the period ended 30 June 2017

The Group

Balance sheet	**2017 N'000**	**2016 N'000**	**2015 N'000**	**2014 N'000**	**2013 N'000**
Non-current asset	84,611,301	79,145,837	65,366,706	53,727,574	49,604,610
Current asset	8,219,165	11,618,676	25,974,324	15,896,273	16,985,474
Current liabilities	(9,810,280)	(13,501,953)	(12,989,530)	(10,367,921)	(15,477,800)
Non-current liabilities	(29,062,167)	(24,062,167)	(26,206,350)	(7,503,856)	(7,598,293)
Net assets	53,958,019	53,200,393	52,145,150	51,752,070	43,513,991
Capital and reserves					
Share capital	3,800,202	3,800,202	3,800,202	3,800,202	5,000
Share premium	4,034,411	4,034,411	4,034,411	4,034,411	-
Revenue reserves	46,122,566	45,364,940	44,309,697	43,917,457	43,508,991
Non-controlling interest	840	840	-	-	-
	53,958,019	53,200,393	52,144,310	51,752,070	43,513,991
Comprehensive income					
Revenue	6,199,850	7,607,634	3,216,501	15,104,796	15,384,722
Profit before taxation	1,096,844	2,745,954	943,314	4,540,000	6,122,054
Taxation	(339,218)	(856,213)	(229,736)	(1,319,385)	(1,712,749)
Profit after taxation	757,626	1,889,741	713,578	3,220,615	4,409,305
Total comprehensive income for the year, net of tax	757,626	1,889,741	713,578	3,220,615	4,409,305
Basic earnings per share	10	25	9	59	88,186

Company

Balance sheet	**2017 N'000**	**2016 N'000**	**2015 N'000**	**2014 N'000**	**2013 N'000**
Non-current asset	82,085,891	76,582,444	62,721,991	53,398,491	48,046,797
Current asset	8,501,446	11,706,906	26,167,450	16,073,951	18,343,977
Current liabilities	(9,853,775)	(13,306,033)	(12,794,749)	(10,167,820)	(15,362,959)
Non-current liabilities	(26,730,646)	(21,730,646)	(23,535,453)	(7,215,154)	(7,286,101)
	54,002,916	53,252,671	52,559,239	52,089,468	43,741,714
Capital and reserves					
Share capital	3,800,202	3,800,202	3,800,202	3,800,202	5,000
Share premium	4,034,411	4,034,411	4,034,411	4,034,411	-
Revenue reserves	46,168,303	45,418,058	44,724,626	44,254,855	43,736,714
	54,002,916	53,252,671	52,559,239	52,089,468	43,741,714
Comprehensive income					
Revenue	5,784,333	7,260,003	3,094,228	14,486,575	14,768,454
Profit before taxation	1,089,463	2,737,111	985,551	4,645,971	6,163,838
Taxation	(339,218)	(856,213)	(229,382)	(1,315,681)	(1,716,041)
Profit after taxation	750,245	1,880,898	756,169	3,330,290	4,447,797